

**Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Department for Environmental Protection
Division for Air Quality
803 Schenkel Lane
Frankfort, Kentucky 40601
(502) 573-3382**

**AIR QUALITY PERMIT
Issued under 401 KAR 52:040**

Permittee Name: Phillips Diversified Manufacturing, Inc.
Mailing Address: P.O. Box 250, Annville, KY 40402

Source Name: Phillips Diversified Manufacturing, Inc.
Mailing Address: P.O. Box 250, Annville, KY 40402

Source Location: Jackson County Industrial Park

Permit Number: S-05-189 (Revision 1)
Source A. I. #: 38591
Activity #: APE20050003
Review Type: Operating
Source ID #: 21-109-00013

Regional Office: London Regional Office
875 S. Main Street
London, KY 40741

County: Jackson

Application
Complete Date: December 22, 2006
Issuance Date: December 21, 2005
Revision Date: December 28, 2006
Expiration Date: December 21, 2015



**John S. Lyons, Director
Division for Air Quality**

SECTION A - PERMIT AUTHORIZATION

Pursuant to a duly submitted application the Kentucky Division for Air Quality hereby authorizes the operation of the equipment described herein in accordance with the terms and conditions of this permit. This permit has been issued under the provisions of Kentucky Revised Statutes Chapter 224 and regulations promulgated pursuant thereto.

The permittee shall not construct, reconstruct, or modify any affected facilities without first submitting a complete application and receiving a permit for the planned activity from the permitting authority, except as provided in this permit or in 401 KAR 52:040, State-origin permits.

Issuance of this permit does not relieve the permittee from the responsibility of obtaining other permits, licenses, or approvals that may be required by the Cabinet or other federal, state, or local agencies.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

- 01 (EP1)** Plastic Injection Molding, Two 300 Ton Presses – (A) & (B)
Description: Injection molding of ABS resin, polystyrene resin and vinyl resin. Construction date: October, 1995
- 02 (EP2)** Plastic Injection Molding, 230 Ton Press
Description: Injection molding of ABS resin, polypropylene resin and vinyl resin. Construction date: October, 1995
- 03 (EP3)** Plastic Injection Molding, 120 Ton Press
Description: Injection molding of polystyrene resin, polyethylene resin and acetal resin. Construction date: October, 1995
- 04 (EP4)** Plastic Injection Molding, 80 Ton Press
Description: Injection molding of ABS resin and polypropylene resin. Construction date: October, 1995
- 05 (EP5)** Plastic Resin Dryers (Electric) for ABS resin, polystyrene resin, polycarbonate resin and polycarbonate/ABS blend resin
Description: Dryer Line 1 – one (1) dryer; Dryer Line 2 – four (4) dryers; Dryer Line 3 – three (3) dryers, all constructed in October, 1995; Dryer Line 4 – one (1) dryer constructed in April, 1997; Dryer Line 5 – three (3) dryers; Dryer Line 6 – two (2) dryers, constructed in October, 1995.
- 06 (EP6)** Plastic Injection Molding, Two 350 Ton Presses – (A) & (B)
Description: Injection molding of polystyrene resin.
Construction date: February, 1998
- 07 (EP7)** Plastic Injection Molding, 400 Ton Press
Description: Injection molding of polystyrene resin.
Construction date: November, 1998
- 08 (EP8)** Plastic Injection Molding, 230 Ton Press
Description: Injection molding of polypropylene resin.
Construction date: February, 1998
- 09 (EP9)** Plastic Injection Molding, 230 Ton Press
Description: Injection molding of ABS resin.
Construction date: February, 1998
- 10 (EP10)** Plastic Injection Molding, 230 Ton Press
Description: Injection molding of acetal resin, polycarbonate resin and polycarbonate/ABS blend resin. Construction date: May, 1998

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

- 11 (EP11) Plastic Injection Molding, 50 Ton Press
Description: Injection molding of ABS resin and polypropylene resin.
Construction date: May, 1998
- 12 (EP12) Plastic Injection Molding, 400 Ton Press
Description: Injection molding of vinyl resin.
Construction date: May, 2000
- 13 (EP13) Plastic Injection Molding, 230 Ton Press
Description: Injection molding of vinyl resin, polycarbonate resin and polycarbonate/ABS resin. Construction date: May, 2000
- 14 (EP14) Plastic Injection Molding, 500 Ton Press
Description: Injection molding of polystyrene resin.
Construction date: May, 2000
- 15 (EP15) Plastic Injection Molding, 500 Ton Press
Description: Injection molding of vinyl resin
Construction date: July, 2000
- 16 (EP16) Plastic Injection Molding, 40 Ton Press
Description: Injection molding of polypropylene resin
Construction date: May, 2000

APPLICABLE REGULATIONS:

401 KAR 59:010. New process operations applicable to each emission unit which commenced construction on or after July 2, 1975.

1. Operating Limitations:

The usage rates of materials used in all affected facilities shall be limited so as not to exceed the emission limitations in Section B(2).

2. Emission Limitations:

- A. 401 KAR 59:010 § 3(1) – Visible emissions from a control device or stack associated with any affected facility shall not equal or exceed 20% opacity.
- B. 401 KAR 59:010 § 3(2) – Particulate matter emissions from a stack associated with any affected facility shall not equal or exceed 2.34 lb/hr.

Compliance Demonstration Method: Compliance with the above emission limitations is assumed when the requirements of Section B(4), B(5) and B(6) are met.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

3. Testing Requirements:

Testing shall be conducted at such times as may be required by the Cabinet in accordance with 401 KAR 59:005 § 2(2) and 50:045 § 4.

4. Monitoring Requirements:

- A. The Permittee shall monitor raw material usages of resins processed and plastic produced as necessary to demonstrate compliance with all requirements of this permit.
- B. A qualitative visual observation of the opacity of emissions shall be performed from the injection molding press building exhaust vents on a weekly basis and a log of the observations maintained when the units are operating. If visible emissions from the exhaust vents are seen (not including condensed water vapor within the plume), then the opacity shall be determined by Reference Method 9. If emissions are in excess of the applicable opacity limit, then an inspection shall be initiated of equipment for all necessary repairs.

5. Recordkeeping Requirements:

- A. Monthly records of the usage of each resin shall be maintained.
- B. Monthly records of the tons of plastic produced shall be maintained.
- C. Weekly records of the qualitative visual observation, any necessary Method 9 readings and/or equipment repairs shall be maintained.

6. Reporting Requirements:

See Section C – General Conditions (C. Reporting Requirements, Item 3)

SECTION C - GENERAL CONDITIONS

A. Administrative Requirements

1. The permittee shall comply with all conditions of this permit. Noncompliance shall be a violation of 401 KAR 52:040, Section 3(1)(b) and is grounds for enforcement action including but not limited to the termination, revocation and reissuance, or revision of this permit.
2. This permit shall remain in effect for a fixed term of ten (10) years following the original date of issue. Permit expiration shall terminate the source's right to operate unless a timely and complete renewal application has been submitted to the Division at least six months prior to the expiration date of the permit. Upon a timely and complete submittal, the authorization to operate within the terms and conditions of this permit, including any permit shield, shall remain in effect beyond the expiration date, until the renewal permit is issued or denied by the Division. [401 KAR 52:040, Section 15]
3. Any condition or portion of this permit which becomes suspended or is ruled invalid as a result of any legal or other action shall not invalidate any other portion or condition of this permit [Material incorporated by reference by 401 KAR 52:040, Section 1a, 11].
4. Pursuant to materials incorporated by reference by 401 KAR 52:040, this permit may be revised, revoked, reopened, reissued, or terminated for cause. The filing of a request by the permittee for any permit revision, revocation, reissuance, or termination, or of a notification of a planned change or anticipated noncompliance shall not stay any permit condition [Material incorporated by reference by 401 KAR 52:040, Section 1a, 4,5].
5. This permit does not convey property rights or exclusive privileges [Material incorporated by reference by 401 KAR 52:040, Section 1a, 8].
6. Nothing in this permit shall alter or affect the liability of the permittee for any violation of applicable requirements prior to or at the time of permit issuance [401 KAR 52:040 Section 11(3)].
7. All previously issued permits to this source at this location are hereby null and void.

SECTION C - GENERAL CONDITIONS (CONTINUED)

B. Recordkeeping Requirements

1. Records of all required monitoring data and support information, including calibrations, maintenance records, and original strip chart recordings, and copies of all reports required by the Division for Air Quality, shall be retained by the permittee for a period of at least five years and shall be made available for inspection upon request by any duly authorized representative of the Division for Air Quality [401 KAR 52:040 Section 3(1)(f)].
2. The permittee shall perform compliance certification and recordkeeping sufficient to assure compliance with the terms and conditions of the permit. Documents, including reports, shall be certified by a responsible official pursuant to 401 KAR 52:040, Section 21.

C. Reporting Requirements

1. a. In accordance with the provisions of 401 KAR 50:055, Section 1, the permittee shall notify the Regional Office listed on the front of this permit concerning startups, shutdowns, or malfunctions as follows:
 - i. When emissions during any planned shutdowns and ensuing startups will exceed the standards, notification shall be made no later than three (3) days before the planned shutdown, or immediately following the decision to shut down, if the shutdown is due to events which could not have been foreseen three (3) days before the shutdown.
 - ii. When emissions due to malfunctions, unplanned shutdowns and ensuing startups are or may be in excess of the standards, notification shall be made as promptly as possible by telephone (or other electronic media) and shall be submitted in writing upon request.
- b. The permittee shall promptly report deviations from permit requirements including those attributed to upset conditions (other than emission exceedances covered by Reporting Requirement condition 1. a. above), the probable cause of the deviation, and corrective or preventive measures taken; to the Regional Office listed on the front of this permit within 30 days. Other deviations from permit requirements shall be included in the semiannual report [Material incorporated by reference by 401 KAR 52:040, Section 5, 3].
2. The permittee shall furnish information requested by the Cabinet to determine if cause exists for modifying, revoking and reissuing, or terminating the permit; or to determine compliance with the permit [Material incorporated by reference by 401 KAR 52:040, Section 1a, 6].
3. Summary reports of monitoring required by this permit shall be submitted to the Regional Office listed on the front of this permit at least every six (6) months during the life of this permit. For emission units that were still under construction or which had not commenced operation at the end of the 6-month period covered by the report and are subject to monitoring requirements in this permit, the report shall indicate that no monitoring was performed during the previous six months because the emission unit was not in operation. The summary reports are due January 30th and July 30th of each year. All deviations from permit requirements shall be clearly identified in the reports. All reports shall be certified by a responsible official pursuant to 401 KAR 52:040, Section 21.

SECTION C - GENERAL CONDITIONS (CONTINUED)

D. Inspections

1. In accordance with the requirements of 401 KAR 52:040, Section 3(1)(f) the permittee shall allow authorized representatives of the Cabinet to perform the following during reasonable times. Reasonable times are defined as during all hours of operation, during normal office hours; or during an emergency:
 - a. Enter upon the premises to inspect any facility, equipment (including air pollution control equipment), practice, or operation.
 - b. To access and copy any records required by the permit.
 - c. Inspect, at reasonable times, any facilities, equipment (including monitoring and pollution control equipment), practices, or operations required by the permit.
 - d. Sample or monitor, at reasonable times, substances or parameters to assure compliance with the permit or any applicable requirements.

E. Emergencies/Enforcement Provisions

1. The permittee shall not use as defense in an enforcement action, the contention that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance [Material incorporated by reference by 401 KAR 52:040, Section 1a, 3].
2. An emergency shall constitute an affirmative defense to an action brought for the noncompliance with the technology-based emission limitations if the permittee demonstrates through properly signed contemporaneous operating logs or relevant evidence that:
 - a. An emergency occurred and the permittee can identify the cause of the emergency;
 - b. The permitted facility was at the time being properly operated;
 - c. During an emergency, the permittee took all reasonable steps to minimize levels of emissions that exceeded the emissions standards or other requirements in the permit; and
 - d. The permittee notified the Division as promptly as possible and submitted written notice of the emergency to the Division within two working days after the time when emission limitations were exceeded due to the emergency and included a description of the emergency, steps taken to mitigate emissions, and corrective actions taken.
3. Emergency provisions listed in General Condition E.2 are in addition to any emergency or upset provision contained in an applicable requirement [401 KAR 52:040, Section 22(1)].
4. In an enforcement proceeding, the permittee seeking to establish the occurrence of an emergency shall have the burden of proof. [401 KAR 52:040, Section 22(2)].

SECTION C - GENERAL CONDITIONS (CONTINUED)**F. Compliance**

1. Periodic testing or instrumental or non-instrumental monitoring, which may consist of record keeping, shall be performed to the extent necessary to yield reliable data for purposes of demonstration of continuing compliance with the conditions of this permit. For the purpose of demonstration of continuing compliance, the following guidelines shall be followed:
 - a. Pursuant to 401 KAR 50:055, General compliance requirements, Section 2(5), all air pollution control equipment and all pollution control measures proposed by the application in response to which this permit is issued shall be in place, properly maintained, and in operation at any time an affected facility for which the equipment and measures are designed is operated, except as provided by 401 KAR 50:055, Section 1.
 - b. A log of the monthly raw material consumption and monthly production rates shall be kept available at the facility. Compliance with the emission limits may be demonstrated by computer program, spread sheets, calculations or performance tests as may be specified by the Division [401 KAR 50:055, Section 2].
2. Pursuant to 401 KAR 52:040, Section 19, the permittee shall certify compliance with the terms and conditions contained in this permit by January 30th of each year, by completing and returning a Compliance Certification Form (DEP 7007CC) (or an approved alternative) to the Regional Office listed on the front of this permit in accordance with the following requirements:
 - a. Identification of the term or condition;
 - b. Compliance status of each term or condition of the permit;
 - c. Whether compliance was continuous or intermittent;
 - d. The method used for determining the compliance status for the source, currently and over the reporting period, and
 - e. For an emissions unit that was still under construction or which has not commenced operation at the end of the 12-month period covered by the annual compliance certification, the permittee shall indicate that the unit is under construction and that compliance with any applicable requirements will be demonstrated within the timeframes specified in the permit.
 - f. The certification shall be postmarked by January 30th of each year. Annual compliance certifications should be mailed to the following addresses:

Division for Air Quality	Division for Air Quality
London Regional Office	Central Files
875 S. Main Street	803 Schenkel Lane
London, KY 40741	Frankfort, KY 40601-1403
3. Permit Shield - A permit shield shall not protect the owner or operator from enforcement actions for violating an applicable requirement prior to or at the time of permit issuance. Compliance with the conditions of this permit shall be considered compliance with all:
 - (a) Applicable requirements that are included and specifically identified in this permit; or
 - (b) Non-applicable requirements expressly identified in this permit [401 KAR 52:040, Section 11].

SECTION D - INSIGNIFICANT ACTIVITIES

The following listed activities have been determined to be insignificant activities for this source pursuant to 401 KAR 52:040, Section 6. While these activities are designated as insignificant the permittee shall comply with the applicable regulation and any level of periodic monitoring specified below.

<u>Description</u>	<u>Generally Applicable Regulation</u>
1. Paint booth for plastic parts	401 KAR 59:010